

# Reinventing CT



**Jobs Session: What it means for your business.**

**Catherine H. Smith**  
Commissioner

---

Small Business is ...

**BIG BUSINESS**

# Jobs Tour Provided Input



# Special Session Focus

---

- Supporting small business growth
- Addressing our regulatory environment
- Supporting innovation
- Focusing on workforce development
- Enhancing the state's economic development tools

# Small Business Growth

- Small Business Express Package – \$50 million/year
  - Revolving loan fund
  - Job creation incentive program
  - Job creation matching grant Program
- STEP UP – \$10 million/year
  - Subsidized training and early employment
- Agricultural Support



# Small Business Growth

- Job Creation Tax Credits (\$20 million/year)
  - Consolidates and increases existing credits: Employers receive \$500 per month for each new job when they hire – up from \$200
  - Incremental credit for hiring the unemployed, disabled, and veterans – \$900 per month
- Manufacturing Reinvestment Account
  - Increase eligibility from 50 to 100 companies
  - Raise limit from \$50,000 to \$100,000



# Improving the Regulatory Environment

---

- Expedite the permitting process – LEAN approach
- Streamline Brownfield redevelopment
  - Create a program to identify, remediate, and market five state-owned brownfields
- Cut the business entity tax
  - Payments will be good for two years rather than one

# Supporting Innovation

- Connecticut Innovations funded to spur innovation and entrepreneurship – \$25 million/year
  - Build innovation centers to connect entrepreneurs with mentors, talent, support, ideas, services, and capital they need to grow
  - Provide matching dollars for SBIR grants
  - Launch and support STARTUP Connecticut
- Reduce angel investment threshold from \$100,000 to \$25,000





# Invest in our Workforce

- Assess current training programs
- Create long-term strategy to align education to business growth
- Establish/expand manufacturing technology programs in 3 community colleges - \$10 million/year for two years
  - Modeled after the successful Asnuntuck Community College model



# Enhance Economic Development Tools

---

- Replenish the Manufacturing Assistance Act over the next two years
  - \$60 million will be prioritized for small business assistance
- Create a business portal for ease of access to state programs/services
- Public Private Partnership

# Other Initiatives in the Bill

- Refurbish Bridges
- Main Street Upgrades
- Airport Enterprise Zones



# **RON ANGELO**

## **DEPUTY COMMISSIONER, DECD**

# Small Business Express Program

Express package is in place with \$100 million available for small business!

- The Small Business Express Program (EXP) supports the retention and growth of small business
- Combination of loans and grants
- EXP incorporates a streamlined process
  - One-page, online application
  - Expedited review process
  - Close within 30 days
  - Visit [www.DECD.org](http://www.DECD.org)



# Small Business Express Program (EXP)

## Revolving Loan Fund

- Eligible to CT companies that have been in existence for at least 1 year and have less than 50 employees
- Loan amounts from \$10,000 to \$100,000
- 4% interest rate for a term of up to 5 years
- Eligible uses include purchase of new machinery and equipment, construction or leasehold improvements, relocation costs, and working capital

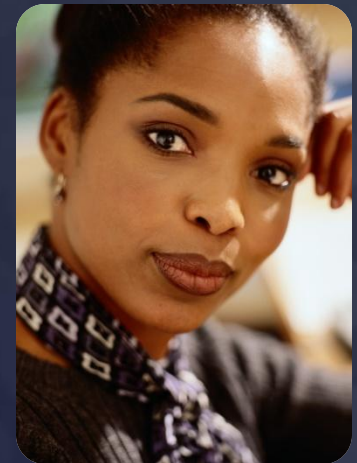




# Small Business Express Program (EXP)

## Job Creation Incentive

- Eligible to companies that have been in existence for at least 1 year and have less than 50 employees
- Loan amounts from \$10,000 to \$250,000
- 4% interest rate for a term of up to 5 years
- Eligible uses include training, marketing, and working capital
- Loan forgiveness and deferral periods may be applied based on job creation levels



# Small Business Express Program (EXP)

## Job Creation Matching Grant

- Eligible to CT companies that have been in existence for at least 1 year and have less than 50 employees
- Grant amounts from \$10,000 to \$100,000
- Businesses must match grant funds dollar for dollar
- Eligible uses include training, working capital, purchase of new machinery and equipment, construction or leasehold improvements, and relocation costs

# STEP UP (DOL)

Promoting job creation and worker opportunity for small businesses and unemployment workers

- Subsidized Training and Employment Program - five million dollars per year for two years
- Small Manufacturer Training Grant Program – five million dollars per year for two years
- Both programs apply to “new hires”
- Eligible small businesses can only utilize one program for each eligible new hire



# Job Expansion Tax Credit Program (JET)

*Effective January, 1, 2012*

\$20 million available in tax credits through JET!

- Consolidates and increases the existing job creation tax credit programs
- Employers receive \$500 per month for each new job when they hire
- Incremental credit for hiring the unemployed, disabled, and veterans at \$900 per month
  - Companies with under 50 employees = must hire at least one new job
  - Companies with 50 to 100 employees = must hire at least five new jobs
  - Companies with over 100 employees = must hire at least ten new jobs
- Companies must complete application before hiring!

# Manufacturing Reinvestment Account (MRA)

- New legislation doubles limit from 50 – 100 on the number of small manufacturing companies
- For income years starting January 1, 2012, it doubles, from \$50,000 - \$100,000, the maximum amount deposited
- Manufacturers with 50 or fewer employees deposit 100% of domestic gross receipts for 5 years in an interest bearing MRA to save for:
  1. Training, developing or expanding workforce
  2. Purchase of machinery, equipment, or facilities
- Corporation taxes on MRA are deferred until withdrawn for eligible purposes and tax rate on withdrawal is 3.5% as opposed to 7.5%



# Funding Partners

The following lending partners work in conjunction with DECD in implementing programs:

**Southeastern Connecticut Enterprise  
Region**

Region of Operation: South Eastern  
Connecticut  
Website: [www.secter.org](http://www.secter.org)

**Middlesex County Revitalization  
Commission**

Region of Operation: Middlesex County  
Website: [www.middlesexchamber.com](http://www.middlesexchamber.com)

**Waterbury Development Corporation**

Region of Operation: Naugatuck Valley Area  
Website: [www.wdconline.org](http://www.wdconline.org)

**HEDCO Inc.**

Region of Operation: Statewide  
Website: [www.hedco-ghbdc.com](http://www.hedco-ghbdc.com)

**Community Economic Development Fund  
(CEDF)**

Region of Operation: Statewide  
Website: [www.cedf.com](http://www.cedf.com)

**Community Capital Fund**

Region of Operation: Greater Bridgeport  
Website: [www.commcap.org](http://www.commcap.org)

**Connecticut Community Investment  
Corporation (CTCIC)**

Region of Operation: Statewide  
Website: [www.ctcic.org](http://www.ctcic.org)



# Contacts

---

## DECD

**Tricia Paesani**  
(860) 270-8215

## CDA

**Lori Granato**  
(860) 258-7872

## DOL

**Rina Bakalar**  
(860) 263-6523

## CI

**Julie Rader**  
(860) 257-2334